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May 4, 2015

Andy Slavitt, Acting Administrator
Centers for Medicare & Medicaid Services (CMS)
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, MD 21244

RE: Support for California's 1115 Waiver Renewal Application: Medi-Cal 2020

Dear Administrator Slavitt,

On behalf of our 700,000 members, the California State Council of the Service Employees International Union (SEIU California) writes in strong support of "Medi-Cal 2020," California's application for renewal of its 1115 Waiver. Medi-Cal 2020 requests \$15-20 billion from the federal government over five years to realize the state and federal government's goals for the transformation of California's Medicaid and safety net programs. In particular, Medi-Cal 2020 builds off of the successes and lessons learned in the 2010 "Bridge to Reform" 1115 waiver to ensure a more integrated, value-driven, and equity-focused Medicaid program in California.

SEIU California is the largest union of health care workers in the state. We represent workers across the continuum of public and private health services: from almost every classification of workers within private and public sector hospital and clinics, to county Medi-Cal eligibility workers and homecare workers with the in-home supportive services (IHSS) program. Our membership has a keen interest in the success and long-term viability of our Medicaid program as, on average, our workers also tend to be low-wage individuals of color. With Medi-Cal now covering an estimated 12 million Californians, or a third of the state's population, the policies and presence of Medi-Cal will have a strong impact on the communities where our members live and work.

Just five years ago, California embarked on an ambitious five year waiver to lay a strong foundation for implementation of the Affordable Care Act (ACA). The "Bridge to Reform" waiver of 2010 allowed counties to establish pre-ACA coverage expansion programs under the Low-Income Health Program (LIHP). These efforts prepared California to seamlessly enroll over 700,000 individuals under the ACA Medicaid coverage expansion in January 2014. In addition, public hospitals invested in delivery system transformation in the safety net through the first-of-its-kind Delivery System Reform Incentive Program (DSRIP). Taken together, the LIHP and DSRIPs greatly expanded coverage while advancing better ways of delivering safe and effective care to medically underserved and vulnerable populations. California's road to transformation of health care delivery systems for 12 million Medi-Cal members is just beginning. As California has taken stock of our post-ACA reality California's plans and providers must now deliver on the promise of coverage, care coordination, and no wrong door.

To meet those goals, during the recent 1115 waiver renewal stakeholder process, SEIU advocated for enhanced funding for our Medi-Cal and uninsured safety net, and to ensure the waiver provides for workforce training and development, as well as efforts to identify and eliminate health disparities through the state's purchasing power. The state's 1115 Waiver renewal application for "Medi-Cal: 2020," submitted to CMS reflects not only our input but that of many of the various stakeholders involved in the process. In particular, SEIU's waiver priorities include:

Workforce Development Program

In order to realize a better coordinated, more efficient and aligned Medi-Cal program in 2020, California has acknowledged the need to invest in the training, development, and diversification of our health care workforce. We strongly support the state's proposal to use this waiver as an opportunity to invest in expanding the use of non-clinical care team members to improve the quality and cultural competency of the care delivered.

SEIU has advocated throughout our 1115 waiver process that access means more than coverage. In addition to trying to attract greater physician participation in Medi-Cal, we also believe that our health care workforce can become more efficient through more team-based approaches to care, with each member of the care team working at the top of his or her license, and by taking advantage of non-clinical care team members to expand the teams' panel size. We believe the waiver provides us with an opportunity to test these care models throughout the safety net.

In addition, California is one of the most diverse states in our country, and access also means the availability of care that is culturally and linguistically appropriate. Our workforce should reflect the communities being served. By investing in training for non-clinical providers like community health workers, peer counselors, and advanced IHSS workers we can create career ladders for individuals with lived experience and improve the efficacy and quality of care delivered. These changes will require investments in workforce training, and reimbursement structures – both which would be tested with this waiver.

Public Safety Net Delivery System Transformation and Improvement Program

Building off of the lessons learned and achievements of our existing California DSRIP, this program would continue and improve on an innovative model of safety net pay-for-performance. Public health systems play a unique role in California. They are the anchors of the safety net, and post-ACA continue to provide care to almost 40% of the state's uninsured, in addition to a disproportionate share of Medi-Cal beneficiaries.

Throughout the process of developing the public safety net delivery system transformation and improvement program, SEIU has worked with our public health system employers to ensure the program includes considerations of the workforce transformations that will be required to achieve success in this program alongside management— including training opportunities, staff engagement, and ensuring a more culturally and linguistically appropriate workforce to reflect our patient populations' needs. The changes brought about by DSRIP to date have been significant, and Medi-Cal 2020 would allow our unique public health systems to make these existing investments more uniform and sustainable throughout our public safety net by evolving our state's DSRIP into a more rigorous Delivery System Transformation and Improvement Program with patients and the workers who serve them at the core.

Public Safety Net Global Payment for the Remaining Uninsured

Despite our tremendous gains in coverage expansions, California's remaining uninsured population is still larger than that of most states' pre-expansion uninsured populations. Our 1115 waiver proposal to combine our Disproportionate Share Hospital (DSH) and Safety Net Care Pool (SNCP) funding to allow for more

flexible and value-driven care to be provided to our remaining uninsured is an exciting opportunity for California. Through this concept, California providers will be driven to provide the remaining uninsured with more primary and preventive care in outpatient, ambulatory care settings. One of the markers of transformation in this program, for example, will be whether providers bring community health workers on board to help uninsured patients navigate the new program and understand how to use services differently. These changes will allow the waiver's broader payment and care delivery reforms to spread fluidly throughout the safety net.

Regional Integrated Whole Person Care Pilots

The road to a health care safety net that provides equal access to quality care for all Californians will need to address the needs of the whole person. The next waiver must be designed in a fashion that promotes population health with services integrated across health care, behavioral health, housing and social services. California's Regional Integrated Whole Person Care Pilots will bring plans, private and public hospitals and clinics, as well as community interests together to target improved outcomes for individuals with high, preventable utilization and demonstrate savings across systems. By creating incentives for health care and other service providers to share in the responsibility for improving the health of individuals with complex care needs, California can begin to make the shift from treating illness to creating a healthier California and more sustainable use of our public resources.

Managed Care and Fee-for-Service System Transformation and Improvement Programs

California, like the nation, is moving aggressively toward the expansion of alternative payments and forms of care delivery. One of the primary changes that California accomplished under the Bridge to Reform waiver was the massive transition of new and different populations to managed care. Over the past five years, our Medi-Cal program has gone from 50% managed care to over 80% managed care and in the next waiver, California needs to work with our Medi-Cal managed care plans as important partners, while holding them to the promise of patient access, and more coordinated, higher value care.

Through the proposed managed care and fee-for-service system transformation and improvement programs, California proposes to build off of the managed care platform to ensure that financial and quality incentives are properly aligned between the state and plans, and plans and providers. We support these innovations as their reach would span the entire Medi-Cal program, including our public and private sector hospital and clinic employers, while allowing for targeted interventions in remaining fee-for-service and behavioral health systems. SEIU also believes each of these initiatives should incorporate the identification and elimination of health disparities as an explicit aim, and look forward to working with the state toward that end.

State-Federal Shared Savings & Reinvestment Programs

As with the managed care system transformation and improvement program, the concept of shared savings would also be applied to the state and federal relationship under the Medi-Cal 2020 waiver. We support the notion that a portion of savings realized through our 1115 waiver should be reinvested to further the transformation of California's already efficient Medi-Cal program. We believe this policy would serve to align incentives between the state and federal governments while rewarding our historically efficient low per-capita spending in Medicaid.

As partners with the state in the administration and delivery of care to our Medi-Cal and uninsured populations, we envision a stronger, more evolved health care safety net in 2020. What California has set forth is a package of stretch goals for all our stakeholders: plans, health systems, behavioral health, social services, housing, and community partners. Throughout the various initiatives contained in California's Medi-Cal 2020 application are the ideas of paying for health care through Medi-Cal and uninsured programs in a

way that shifts our delivery system to more team-based care approaches that will expand access to better coordinated, more culturally and linguistically care in the hopes of achieving what we like to call the "Quadruple Aims," of lower costs, improved health care quality, improved population health, and health equity.

As California turns the corner on the implementation of the ACA, it is our belief that the \$15-20 billion in additional federal funding California is pursuing through our 1115 Waiver renewal is vital to this next phase of ACA implementation in California and we respectfully urge your approval of Medi-Cal 2020.

Sincerely,



Laphonza Butler
Board Chair



Jon Youngdahl
Executive Director

cc: Victoria Wachino, Director, Center for Medicaid and CHIP Services
Diana Dooley, Secretary, California Health and Human Services Agency
Jennifer Kent, Director, Department of Health Care Services
Mari Cantwell, Medicaid Director, DHCS
Marjorie Swartz, Office of Senate Pro Tempore Kevin de Leon
Agnes Lee, Office of Assembly Speaker Toni Atkins